

## **FY 2021-2022 BUDGET MESSAGE**

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### **Honorable Mayor, Councilors, Budget Committee Members, and the Tigard Community,**

On behalf of the entire Tigard team, it is my privilege to present the proposed Fiscal Year 2021-22 (FY22) operating budget and FY22-FY27 Capital Improvement Plan (CIP) for your consideration. The proposed budget is a result of many teammates working collaboratively to advance the City Council's priorities contained in our guiding documents.

Tigard's vision to become, "An equitable community that is walkable, healthy and accessible for everyone" has been woven into our proposed budget and aligns with four key imperatives. Those key imperatives -- implementing our Strategic Plan, improving our systems, responding to COVID-19, and building on our anti-racism efforts -- have been instrumental in making informed, deliberate decisions. This intentional alignment ensures that City Council goals and community priorities are the guiding principles for developing this budget proposal.

Discovering and understanding Tigard's story through the budget process was a positive introduction to our community and finances. Upon joining Team Tigard in the middle of the budget preparation cycle, I quickly learned that prudent decisions previously made have ensured the City of Tigard is financially stable in the near term. At the same time, we need to focus on and emphasize long-term sustainability so we can meet and exceed our community's expectations into the future. As a growing community, this will require we invest the necessary time and resources to ensure the triple bottom line of equity, our environment, and our economy are at the forefront of all decisions.

In total, the FY22 proposed budget is \$388 million, with General Fund expenditures accounting for \$37.8 million. The six-year Capital Improvement Plan totals \$360 million of which \$74.6 million is in FY22. The four themes represented throughout the proposed budget allow us to build upon previous commitments which position our community for continual success. From improving efficiencies through our enterprise-wide software conversion and saving valuable public resources with our City Facilities Consolidation to increasing investment into park maintenance and supporting the newly formed Public Safety Advisory Board, the proposed budget responsibly invests in the areas of highest need to achieve the following outcomes.



## FY 2021-2022 BUDGET MESSAGE

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### Eliminate Racism and Enhance Equity

- Increased funding for the Public Safety Advisory Board
- Install an inclusive and accessible Cook Park play structure
- Reinstate Community Service grant funding equivalent to levels before the 2016 budget reductions
- Commence design for a new, wheelchair accessible boat dock
- Complete construction of Universal Plaza as a vibrant public space for all



### Increase Efficiency and Save Money

- Continue the multi-year implementation of Total Tyler enterprise-wide software
- Advance the City Facilities Consolidation project



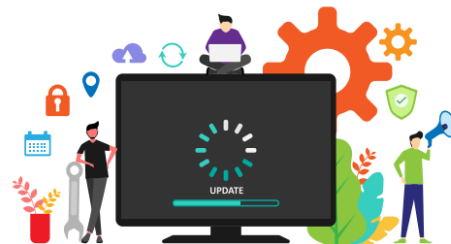
### Improve Connectivity

- Begin construction on four segments of the regional Fanno Creek Trail
- Fill in sidewalk gaps on Frewing Street and begin design for improvements on Murdock Street



### Replace Aged Systems

- Replace storage area networks which have outlived their useful lives
- Address vulnerabilities by replacing our intranet
- Complete the purchase of latest technology body-worn cameras for all Officers and replace vehicle-dash cameras



### Upgrade Infrastructure

- Complete construction of Main Street Phase II improvements
- Finish upgrades to the aquifer storage and recovery system, which provides emergency water supply
- Commence a pipeline renewal and replacement program to proactively upgrade aging waterlines
- Start construction of a significant creek restoration and stabilization on Kruger Creek



## FY 2021-2022 BUDGET MESSAGE

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During this time, we are still navigating uncharted waters due to the significant impacts of COVID-19 on our community and our organization. As we developed this proposal, we recognized many of our small businesses and community members continue to be affected by the pandemic and our local economic recovery may last into 2023 and beyond. We are proceeding forward with cautious optimism because of the uncertainty caused by the pandemic.

We also want to thank our federal legislative delegation for supporting the American Rescue Plan Act of 2021, which will provide much needed funding to our community. The City is expected to receive \$11.32 million. These funds and associated expenses have not been included in the proposed budget due to timing of the new law and our budget schedule. We are diligently working on a strategy to invest these funds for the benefit of our community and will be providing a recommendation soon. This will include ensuring we are transparent in where the funds have been spent.

Accompanying the proposed budget this year is our new Budget in Brief. Along with a new user-friendly electronic version of the budget, it was developed to improve transparency and provide a high-level overview of the proposed budget. This is also a step toward reducing paper as we transition to electronic versions of the budget. Thank you to our Communications Team for making this a reality.

Moving forward, we will collectively embrace our successes and acknowledge where we must improve. Thank you to our entire Finance Team, Leadership Team, and the many teammates who played an important role in developing the proposed budget. I am continually impressed with everyone's commitment to improve our entire community's quality of life and ensure we are a diverse, equitable, and inclusive organization.

I look forward to continuing our conversation and working with the Budget Committee to produce a budget that reflects our values and vision of who we are and where we want to go.

Sincerely,



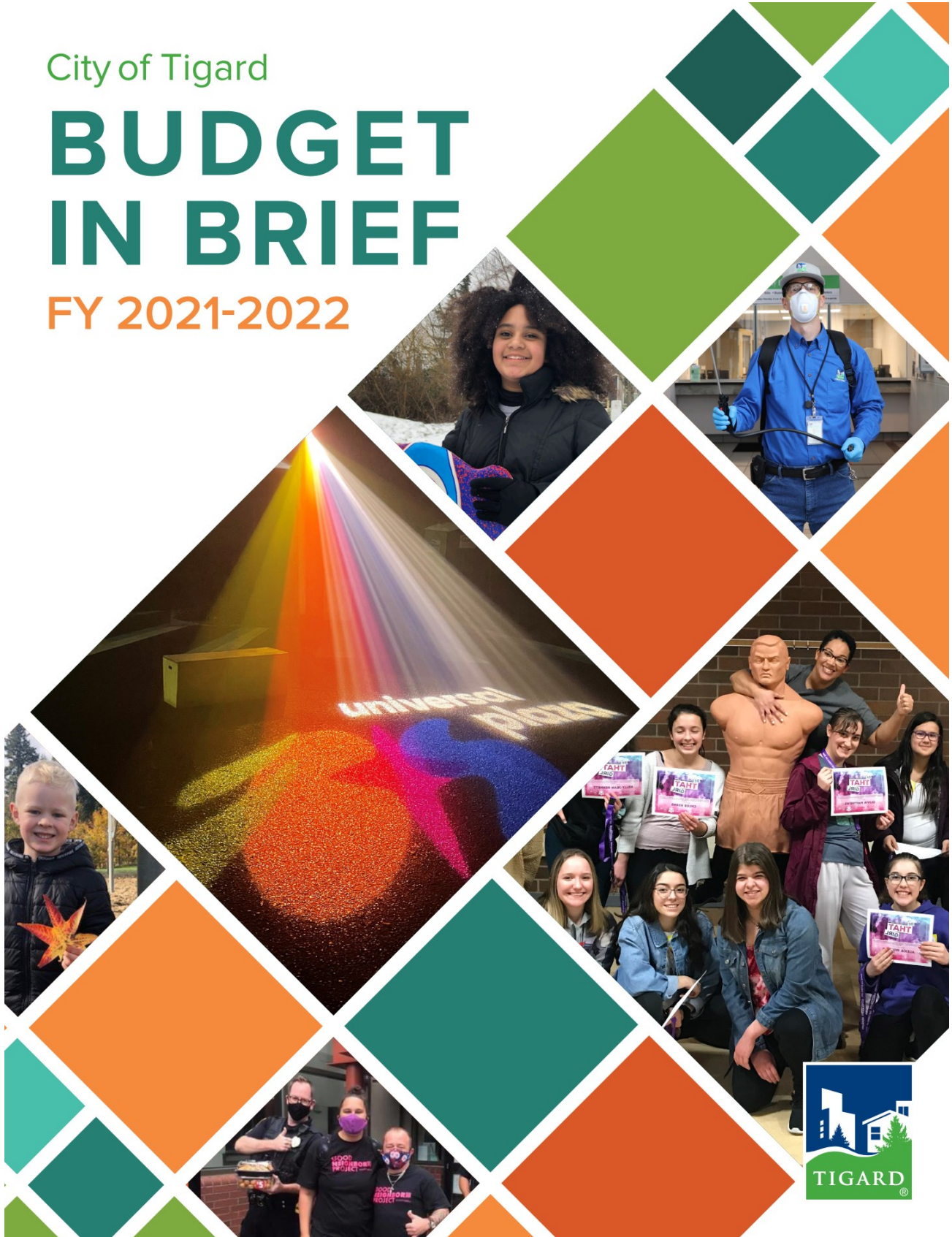
**Steve Rymer**  
City Manager



City of Tigard

# BUDGET IN BRIEF

FY 2021-2022



### BUDGET IN BRIEF

# BUDGET PROCESS

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The City Council and teammates are committed to a budget process that is transparent, accessible, and easy to understand. Our first-ever Budget-in-Brief is a result of that commitment.

In this document, you will learn about the budget process including who makes the decisions and what decisions were made for the proposed budget. You will also learn about ‘where our money comes from’ and ‘where our money goes.’

After reading this document, we hope you have a better understanding of how the proposed budget will advance four key city initiatives – the strategic plan, COVID-19 response, anti-racist actions, and system improvements for technology and financial systems.



## City of Tigard Mayor and City Council Members



Jason Snider  
Mayor



Heidi Lueb  
Council President



John Goodhouse  
Councilor



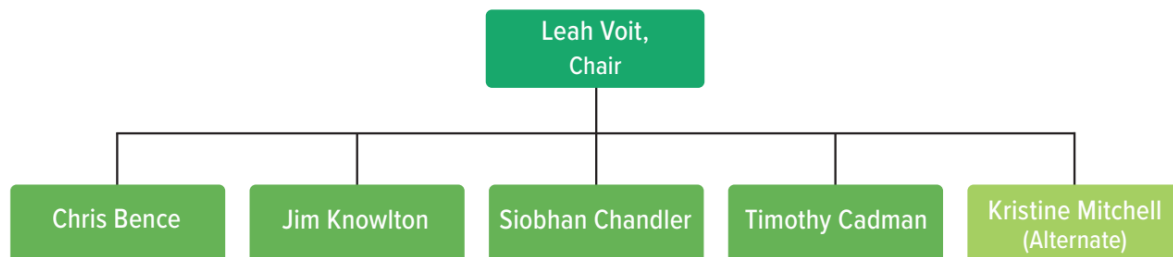
Liz Newton  
Councilor



Jeanette Shaw  
Councilor

## Budget Committee Members

Oregon law calls for the creation of a Budget Committee, with an equal number of city councilors and citizens. In public hearing, the Budget Committee reviews the proposed budget, listens to comments from residents, revises if necessary, and approves the budget with ad valorem taxes for City Council adoption.



### Framework for Proposed Budget

#### STRATEGIC VISION

Tigard: An equitable community that is walkable, healthy, and accessible for everyone.

#### 3 PRIORITIES THAT SUPPORT OUR VISION

1

Set the standard for excellence in public service and customer experience.

2

Create a well-connected, attractive, and accessible pedestrian network.

3

Ensure development and growth support the vision.

### City Initiatives

#### 1 Improving Systems

- Communicating well/constituent relations
- City Services Buildings (facility planning)
- Replace asset management and financial systems



#### 2 Implementing the Strategic Plan

- Equitable, Accessible
- Health/Climate Action
- Walkable



#### 3 COVID-19

- Continuing to respond to the impact of COVID-19



#### 4 Anti-Racism Plan & Public Safety Advisory Board

- Implement the anti-racism plan and assist with the Public Safety Advisory Board





# BUDGET IN BRIEF • BUDGET PROCESS

## Budget Highlights

- Our finances are stable in the near term.
- We are navigating uncharted waters due to COVID-19 and proceeding with cautious optimism.
- The proposed budget is guided by our values and vision while aligning our goals and priorities.
- The FY2022 proposed budget is \$338 million, with General Fund Expenditures accounting for \$37.8 million.
- The six-year Capital Improvement Program totals \$360 million.
- The proposed budget will:
  - ▶ Advance equity through increased funding for the Public Safety Advisory Board and installing an inclusive and accessible Cook Park play structure.
  - ▶ Increase efficiency and save money by continuing the multi-year implementation of Total Tyler software and planning for the possible consolidation of City facilities.
  - ▶ Replace aged equipment by completing the purchase of latest technology body-worn cameras for all Police Officers and replace vehicle-dash cameras.
  - ▶ Improve connectivity by constructing four segments of the regional Fanno Creek Trail and filling in sidewalk gaps on Frewing Street.
  - ▶ Upgrade infrastructure by constructing Main Street Phase II improvements and starting construction of a significant creek restoration and stabilization on Kruger Creek.

## Key Budget Dates

### April 9th

Distribute Proposed Budget Document to Budget Committee

### April 9th-23rd

Solicit community feedback on the proposed budget

### April 24th

Budget Committee Meeting #1

### May 3th

Budget Committee Meeting #2

### May 10th

Budget Committee Meeting #3 (If necessary)

### June 8th

Council considers adoption of the budget



## BUDGET IN BRIEF

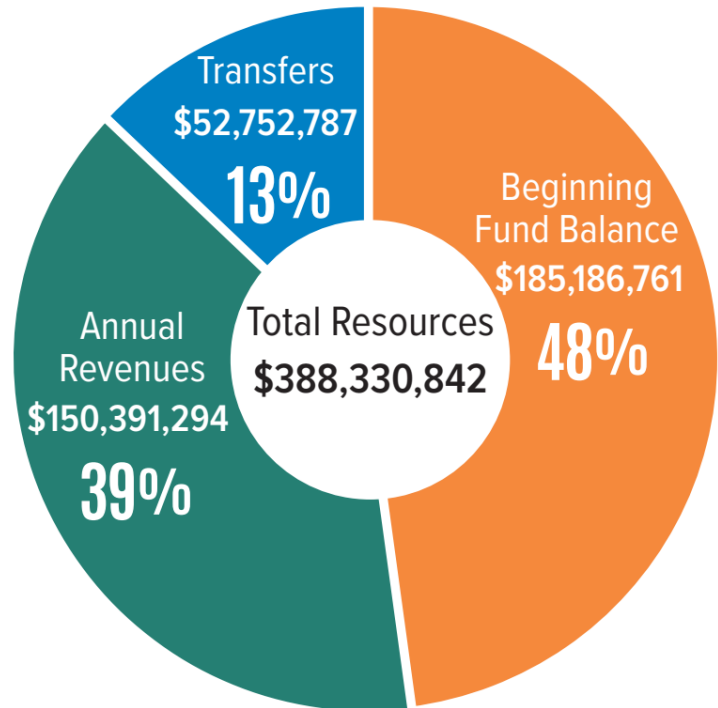
# WHERE THE MONEY COMES FROM

Resources to meet the City of Tigard's obligations and service needs are derived from three primary sources: beginning fund balance, annual revenues and fund transfers.

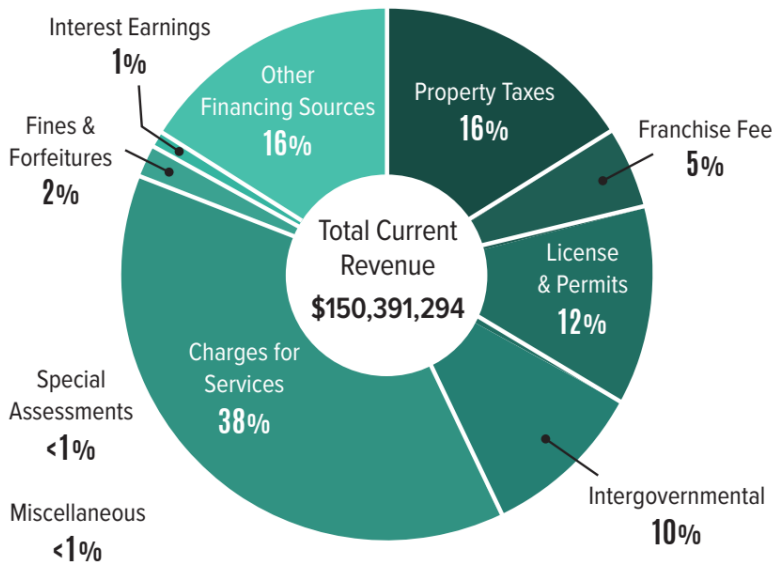
**Beginning Fund Balance** consists of revenues carried forward from previous fiscal years, including reserves for specific purposes (e.g., debt reserves and capital improvements) and monies used for cash flow.

**Annual Revenues** are those earned from city operations or taxes collected during the fiscal year. The principle sources of annual revenues are property taxes, utility fees and charges, and building and development fees and charges.

**Fund Transfers** are made when individual costs are shared and supported by multiple funds. These funds pay for direct or indirect costs.



## Current Revenue Breakdown



### CURRENT REVENUE

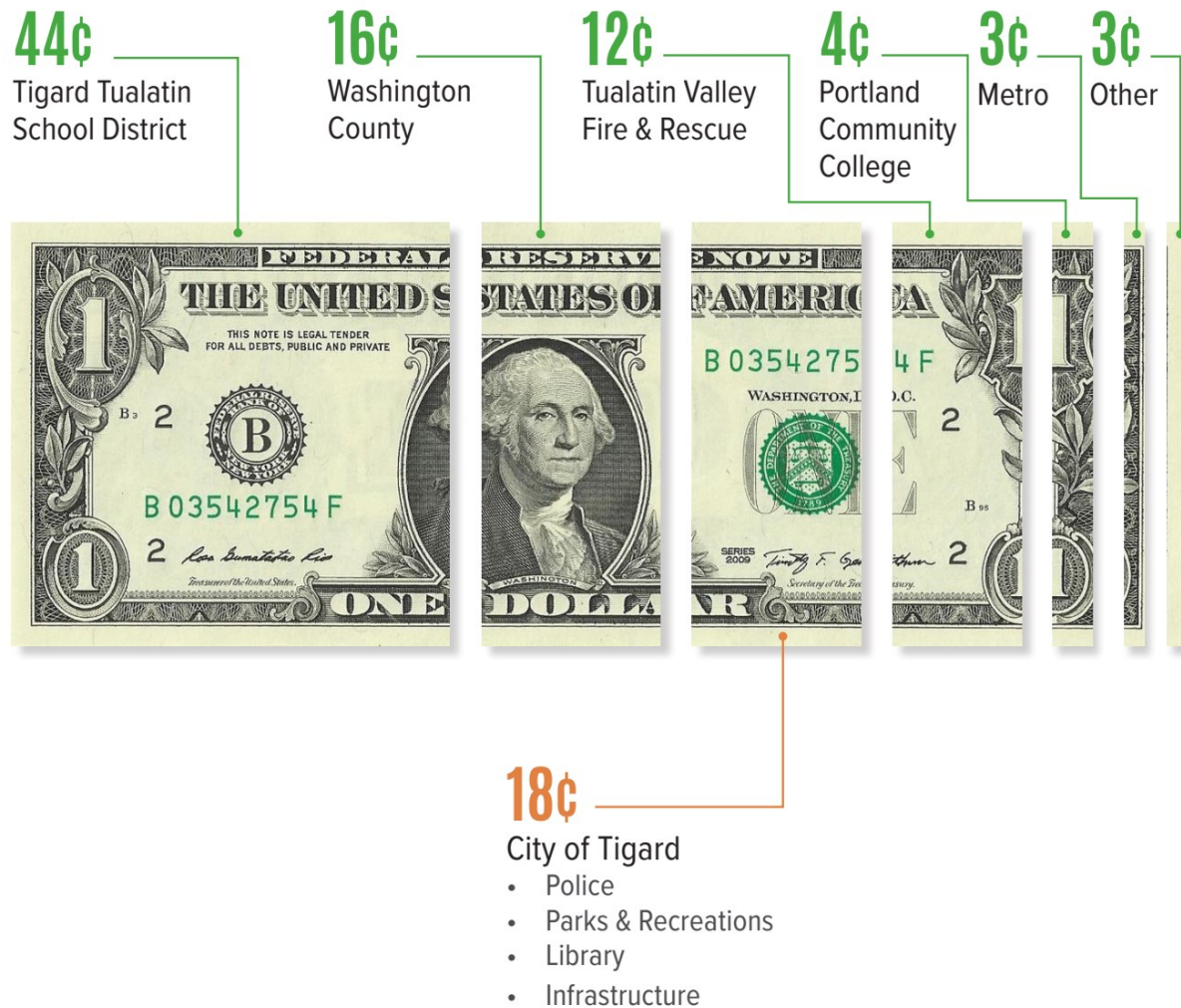
Property Taxes	23,265,605
Franchise Fees	6,701,356
License & Permits	17,881,070
Intergovernmental	15,664,239
Charges for Services	56,719,220
Fines & Forfeitures	2,229,590
Interest Earnings	1,911,000
Other Financing Sources	25,298,270
Special Assessments	50,000
Miscellaneous	670,944
<b>TOTAL</b>	<b>\$150,391,294</b>



BUDGET IN BRIEF

# WHERE DOES THE MONEY GO?

Where do your tax dollars go?



Your property tax bill consists of various taxing agencies all with different permanent tax rates. The City of Tigard has a permanent tax rate of \$2.5131 per thousand. Compared to other municipalities in Washington County, Tigard has one of the lowest rates.

## BUDGET IN BRIEF • WHERE DOES THE MONEY GO?

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City budgetary requirements fall into three primary categories: requirements, appropriations, and operations.

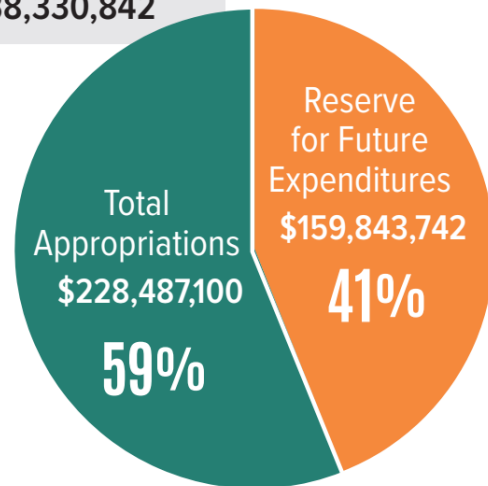
**Requirements** consist of all funds appropriated for use during the fiscal year plus reserve for future expenditures (ending fund balances), which are not appropriated and are not intended to be used. Reserve for future expenditures is the city's savings and is generally set aside for large capital projects. Money reserved for future expenditures is intended to be used in future years. If necessary, however, these reserves can be drawn upon for this fiscal year.

**Appropriations** consist of funds available for use during the fiscal year and include operations, debt service, capital improvements, transfers and contingencies.

**Operations** reflect the ongoing operating budget for the delivery of services.

The following charts provide information about each of these major categories.

Total Requirements  
**\$338,330,842**



### REQUIREMENTS

#### Current Expenditures

Operations	88,687,679
Debt Service	9,620,364
Loan to TCDA	1,000
Capital Improvements	74,627,770
Contingency	4,200,000

**Subtotal Current Expenditures**      **\$177,136,813**

Fund Transfers      51,350,287

**Total Appropriations**      **\$228,487,100**

**Reserve for Future Expenditure**      **\$159,843,742**

**TOTAL**      **\$338,330,842**

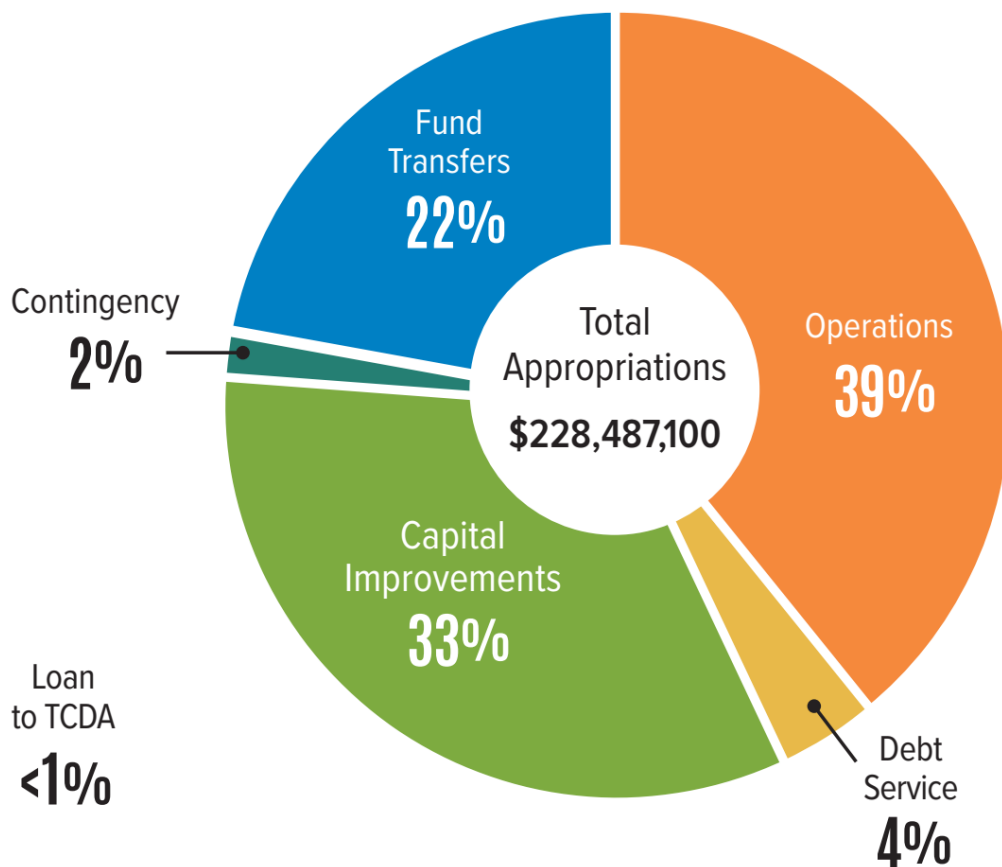
The total requirements of the FY 2021-22 city budget are \$338,330,842. Of that amount, 59% is appropriated for use during the fiscal year, including \$4.2 million in contingency. The remaining 41% is reserved for future expenditures. Money reserved for future expenditures is not intended to be used during the fiscal year, although it is available if needed.

## BUDGET IN BRIEF • WHERE DOES THE MONEY GO?

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### Appropriations

Fiscal Year 2021-2022 total appropriations are \$228,487,100 and consist of several subcategories of use. Of this amount, Operations, the city's operating budget, account for 39% of the total. Appropriations are also established for debt service, capital improvements, transfers between funds, and contingencies. Debt service accounts for 4% of total city appropriations and pays principal and interest on outstanding voter-approved general obligation bonds and revenue bonds.



Capital improvements account for 33% of total appropriations and consist of major construction or acquisition projects that add to or extend the life of major city facilities and assets. Transfers between funds total roughly 22% of appropriations. Money is transferred between funds to share resources or to pay expenses incurred in one fund that also benefit the

program in one or more additional funds. Contingencies account for 2% of total appropriations and are used to pay for unexpected expenses. No money may be spent directly out of a contingency account; if needed, money must be transferred from contingency to another expense category by resolution of the City Council.



## BUDGET IN BRIEF • WHERE DOES THE MONEY GO?

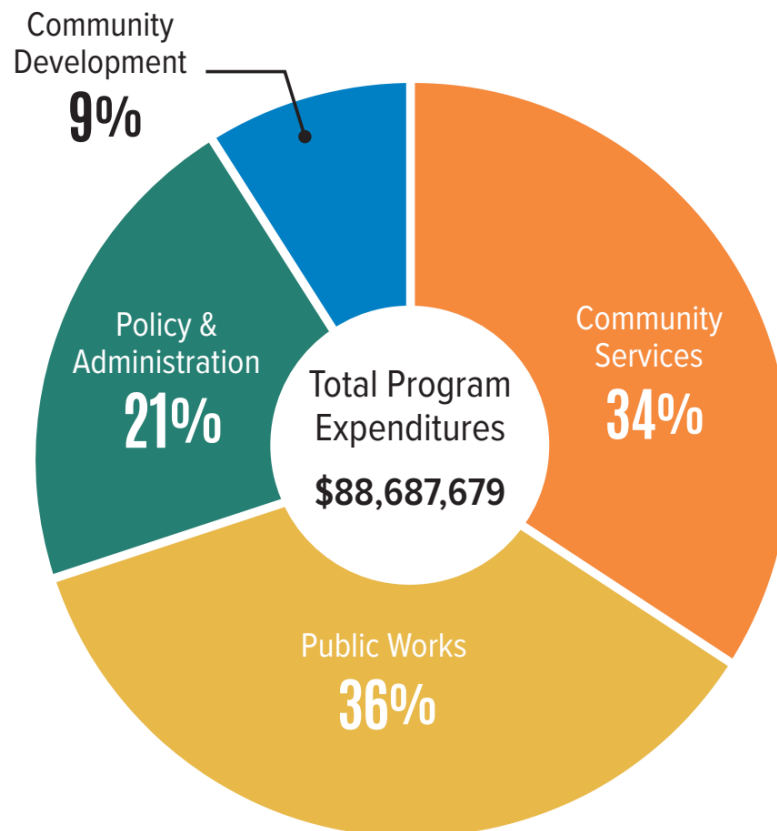
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### Operations

Operations are the operating budget of the city and the heart of the city's budget. Operations pay for the day-to-day costs of running the city and providing services to community members. Operations may be looked at from several different perspectives. Each perspective provides a different view of the use of these dollars. The following charts and descriptions provide three different analytical views of the city's Operations.

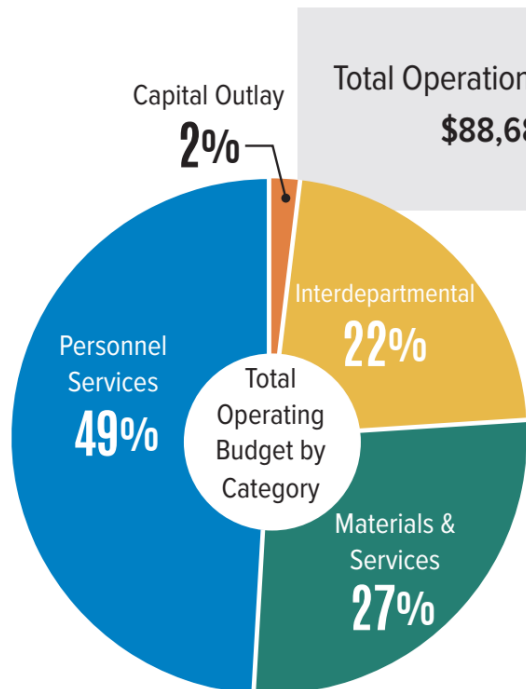
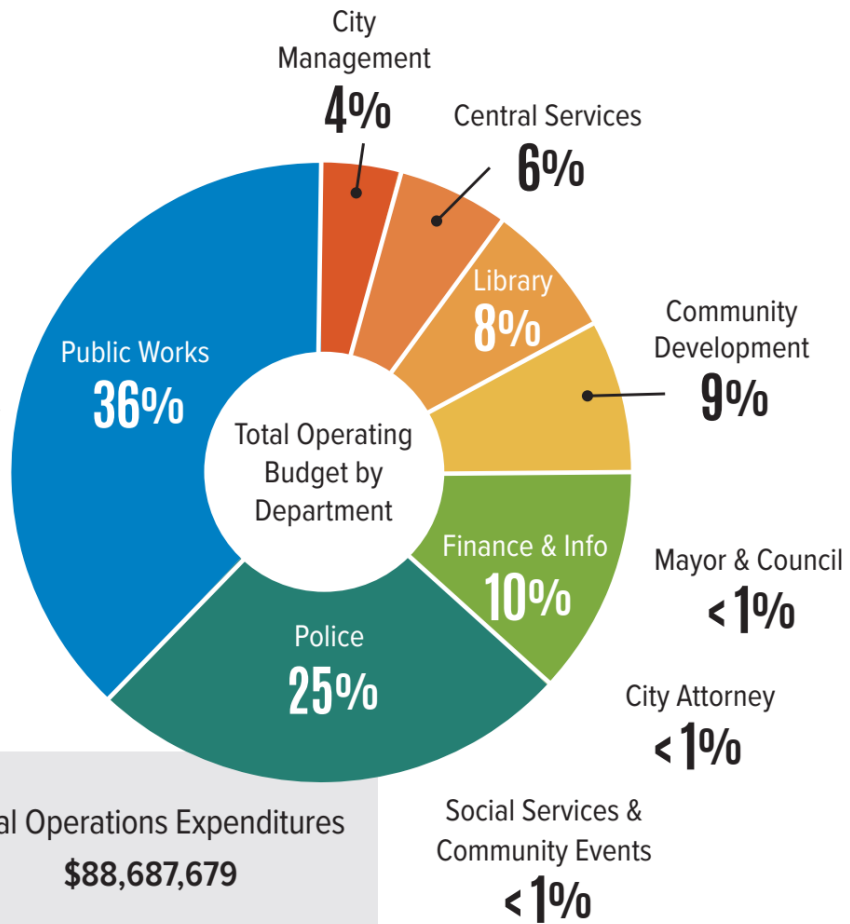
Operations by program shows the major functional areas that make up the city's total operating budget. The largest areas within the operating budget are the Community Services (34%) and Public Works (36%) programs. The Community Services program consists of Police services, Library services, and city

grants to social service agencies and community events. The Public Works program consists of services that operate and maintain the city's infrastructure (streets, water, parks, sanitary sewer, and stormwater). The Policy and Administration program accounts for 21% of the total operating budget and includes the central city management, administrative functions, fleet maintenance, city facilities maintenance, finance, and computer services. The Community Development program accounts for 9% of the total operating budget. This program area includes building permits and inspections, and land use planning.



## BUDGET IN BRIEF • WHERE DOES THE MONEY GO?

Another way of looking at the city's operations is by department. This view reflects the administrative structure of the city. The largest city department is Public Works with 36% of the budget. Police follows with 25% of the budget, Finance and Information Services 10%, Community Development with 9%, Library with 8%, Central Services with 6%, City Management with 4%, the Mayor and City Council along with City Attorney, Social Services and Community Events at less than 1% each.



Finally, the third way to view the city's operations is by category. Roughly, 49% of the operating budget is for Personnel Services, which are the salaries and benefits for teammates who are providing programs and services to the public. Materials and Services, supplies, professional services, small equipment, etc., account for 27% of the operating budget. Capital Outlay (purchase of equipment and vehicles necessary to provide programs and services) accounts for about 2% of the operating budget. Finally, Interdepartmental expenses pay for services provided within the city and make up 22% of operating expenses.

BUDGET IN BRIEF

## TIGARD AT A GLANCE

**54,520**  
Population



**38,810**

The number of combined calls for police assistance and officer initiated calls in 2020.

**396**

Businesses supported with **\$3.5M** in Tigard CARES funding.

Provided **\$45K** in Tigard AID funding to more than **230** utility customers.

## Key Facts & Figures

Partnered with 8 community organizations to provide

**\$200K**

in aid to Tigard residents through the Resident Aid Fund of Tigard.

**RAFT**  
Resident Aid Fund of Tigard



Saved **\$1 MILLION** annually by refinancing our water bond.



Filled each of the **11** positions approved by voters in the Police Services Levy.

## YOUR CITY AT WORK

Maintained  
**169 MILES**  
of sewer pipe.



Maintained  
**4,687**  
Manholes.



Swept  
**346 MILES**  
of street each month.



**100% COMPLIANCE**  
with drinking water standards.



Inspected and cleaned  
**21 MILES**  
of stormwater pipe.



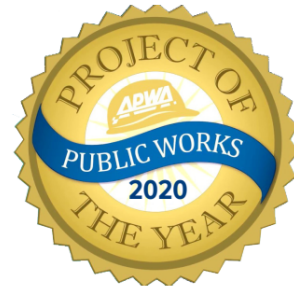
### BUDGET IN BRIEF

# AWARDS

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#### **American Public Works Association Project of the Year:** Greenfield Drive Emergency Reconstruction

In November 2019, a water main ruptured on Greenfield Drive, causing flooding and damage to the roadway. The City balanced the needs of the public against safety considerations and project costs to come up with an optimal solution. Using a value engineering solution during construction, the project was completed at a total cost of \$323,480. Original assessments of the damage were valued at \$1 million.



#### **Governmental Finance Officers Association**

Award for Outstanding Achievement for the Popular Annual Financial Report (PAFR)

The Governmental Finance Officers Association recognized the quality of our PAFR with the award for outstanding achievement. We are honored to be one of only ten public agencies in Oregon to receive this designation. We have refined this year's PAFR to reflect feedback from GFOA and our community.



**AWARD *for* OUTSTANDING**  
**ACHIEVEMENT**  
Popular Annual Financial Report

#### **Government Finance Officers Association**

Distinguished Budget Presentation Award

We received this award for publishing a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device. We have met this standard since fiscal year beginning July 1, 1987.



**DISTINGUISHED BUDGET**  
**PRESENTATION**  
**AWARD**

### STRATEGIC PRIORITIES

*These are the three priorities  
that support our vision:*

1

**Set the standard for excellence in public  
service and customer experience.**

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2

**Create a well-connected, attractive, and  
accessible pedestrian network.**

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3

**Ensure development and growth  
support the vision.**

## STRATEGIC PLAN SUMMARY

The purpose of the strategic plan is to provide guidance and direction for the city's priorities for the next five years, through the end of 2025. Our vision highlights where we want to go and what we want to be, while our strategic priorities point to how we are going to achieve our vision.

Proactively planning provides an opportunity to grow the city in a way that is thoughtful and unique. This plan accomplishes this by leveraging and building on Tigard's existing strengths and aiming to continue to grow Tigard as a thriving, desirable place to live, work and play. This strategic plan also informs the allocation of limited city resources to both long- and short-term goals.

To stay informed on the progress of the strategic plan, visit  
[www.tigard-or.gov/strategicplan](http://www.tigard-or.gov/strategicplan)

THE CITY OF TIGARD'S CITY COUNCIL IS FINALIZING ITS 2021-23 GOALS AND PRIORITIES. THIS PAGE SERVES AS A PLACEHOLDER FOR THAT DOCUMENT FOR THE FY 2021-22 ADOPTED BUDGET.



## CITYWIDE ORGANIZATION CHART - BY PROGRAM

